



**THE RELATIONSHIP BETWEEN STOCK MARKET OF
DEVELOPED COUNTRIES AND MALAYSIA: ANALYSIS
BASED ON LARGE CAPITAL INDEX**

MUHAMMAD AISAR BIN ZULKAPLLY

2015839956

BACHELOR OF BUSINESS ADMINISTRATION (HONS) (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TEKNOLOGI MARA

MALACCA CITY CAMPUS

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ABSTRACT

The aim of this study is to investigate the relationship between Stock Exchange of Thailand, Chinese Stock Exchange, Singapore Exchange, and London Stock Exchange to the FTSE Bursa Malaysia KLCI Index in term of large capital index. The study used Simple Linear Regression and Multiple Linear Regression in order to find the relationship among those markets. The quarterly closing price of stock indices is collected from 1st Quarter of 2005 until 2nd Quarter of 2017. From the result, it reveals that only stock indices from London Stock Exchange have a significant positive relationship towards FTSE Bursa Malaysia KLCI Large Capital Index. It means that there are interdependencies among this developed countries stock market in term of large capital index. These results further our understanding of the relationship between the stock market develops countries and should be useful for regulator, investor and speculator.

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